

WHY THE STEEL INDUSTRY CANNOT PAY INCREASED WAGES NOW

Steel Prices were frozen by OPA at Pre-War levels—

Costs have Soared—Many steel products now sell at a loss—

Answer to present wage demands depends

on steel price policy of OPA.

TODAY, because of government-controlled prices and high costs, many steel products are being sold at a loss. That is why the steel industry cannot now pay higher wages.

A demand for a general wage increase of \$2 a day has been made by the United Steelworkers of America — CIO. In presenting this demand, Philip Murray served notice that this demand was not subject to "dickering or compromise." To enforce this demand, strike votes are being taken this month in the steel industry. Any general stoppage of steel production would be a calamitous blow to reconversion.

Increased wages cannot be paid out of thin air. Proceeds from sales of steel provide the only fund out of which wages can be paid. Today the ceiling prices imposed by OPA do not provide a sufficient return to pay current costs of steel operations, let alone any increase in wages.

Present OPA ceiling prices for steel products are generally less than steel prices in 1937. However, labor and other costs in the steel industry have gone up tremendously. These ever-mounting costs have squeezed out virtually all of the profit originally contained in pre-war steel prices.

Accordingly, today steel producers are entitled to substantial increases in these ceiling prices. Many months ago they asked OPA for such price relief. OPA has not acted.

Collective bargaining conferences between steel producers and the Union have already been held. Nothing can be accomplished toward negotiating any wage increase until OPA performs its statutory duty. Under act of Congress, steel producers are entitled to ceiling prices which yield on each product a profit equivalent to that of the base period, established by OPA as 1936-1939.

Wages in the steel industry do not need to be further advanced to keep pace with increases in the cost of living since January 1941. Increases in average straight time hourly earnings in the steel industry (without overtime), between January 1941 and August 1945 rose 34 per cent, or more than the advance during this same period in the U. S. Department of Labor index of the cost of living.

Today steel workers rank among the highest paid wage earners in American industry. In August 1945, average straight time pay for steel workers was \$1.15 an hour, without counting overtime pay. The end of the war has not eliminated all overtime in the steel industry, and a considerable period of time may elapse before the industry fully returns to a normal 40-hour work week.

Until OPA authorizes fair prices, nothing can be settled through collective bargaining.

American Iron and Steel Institute

350 Fifth Avenue, New York 1, N. Y.

OUR COMPANY MEMBERS EMPLOY 95 PERCENT OF THE WORKERS IN THE STEEL INDUSTRY.